



Meeting Summary

February 21, 2013

The Investment Committee met on February 19, 2013.

The Committee conducted an election for the Chair and Vice-Chair positions:

- Henry Jones was elected as Chair of the Investment Committee
- George Diehr was elected as Vice-Chair of the Investment Committee

The Committee approved:

- Staff beginning the rule making process to adopt the attached proposed regulation to mitigate possible conflicts of interest relating to external investment resources who provide services to CalPERS
- The transmittal of the annual Holocaust Era and Northern Ireland reporting to the California Legislature
- The revision of the Global Fixed Income Policy to allow the use of up to 10% notional leverage
- The revision of the Asset Allocation/Risk Management delegation reflecting the appointment of Eric Baggesen as interim Senior Investment Officer Asset Allocation/Risk Management
- The extension of the existing Interim Asset Allocation Targets until June 30, 2014
- The divestment of direct investments in firearms manufactures that produce and distribute to private persons, assault weapons which are illegal for private ownership or possession under California law.

The Committee received presentations on:

- The quarterly performance and risk profile of the Total Fund
- Core issues and framework for setting priorities of the Global Governance Program
- The Absolute Return Strategies Program Strategic Plan as well as the annual review of the Program by Wilshire Associates.

The Committee heard public comment on the following topics:

- The Assault Weapon Manufacturers Portfolio Review
- A labor dispute regarding a hotel property in Southern California
- The Absolute Return Strategies Strategic Plan.

At this time I would like to share some highlights of what to expect at upcoming Investment Committee meetings:

- In March, the Investment Committee will participate in an Investment Beliefs stakeholder panel workshop. The COIO will present an update to the Investment Office Risk Heat Map and Targeted Operating Model. The Committee will also receive an update on Targeted Investment Programs and diversity initiatives.

The next meeting of the Investment Committee is scheduled for March 18, 2013, in Sacramento, California.